

City Council Approved Changes

City Council Adopted	Description	GASB Impact		FY 2005 Impact
		Total	Annual	
Eliminate PPO Plan	<ul style="list-style-type: none"> The offered Exclusive Provider Option (EPO) plan covers all employees and retirees within 25 miles of their home. An out of area option is available 	None	None	None
Add a High Deductible Plan	<ul style="list-style-type: none"> \$1,000 deductible per employee, \$2,000 deductible per family. Pays 80% for all claims after deductible is met. Preventive care would not be subject to the annual deductibles. \$5,000 out of pocket maximum per employee, \$10,000 out of pocket maximum per family. 	None	None	(\$120K)
Add AARP Option	<ul style="list-style-type: none"> Offers over 65 retirees the option to purchase a supplement that may provide more medical benefits at a lower cost than the City's plan with Medicare coordination. Option would be offered with or without or without prescription coverage. AARP plan supplements Medicare benefits resulting in coverage of Medicare deductible and balance of hospital stay. 	(\$30M)	(\$3.2M)	(\$100K)
Pay for Medicare Part A	<ul style="list-style-type: none"> Covers employees hired prior to 1986 if they do not qualify for Medicare at age 65. City currently has 500 employees in that category. Ten to fifteen percent are projected to not qualify for Medicare at 65. 	None	None	None
Add Mental Health Parity	<ul style="list-style-type: none"> Treats mental health issues the same as other illness as a covered benefit on both EPO and HDP. 	None	None	\$60K
Change Pharmacy from Three to Four Tier System and change from a fixed dollar co-pay to a co-insurance percentage.	<ul style="list-style-type: none"> Current: Tier 1 - \$10; Tier 2 - \$25; Tier 3 - \$50. Adopted: Tier 1 – 10%; Tier 2 – 20%; Tier 3 – 35%; Tier 4 – 50%. Also includes a \$1,000 out of pocket maximum. 	None	None	(\$150K)
*Change Health Benefit Eligibility Retirement Definition	<ul style="list-style-type: none"> Current: TMRS Eligible (20-Years); 10-years City of Arlington Service; No minimum age. Adopted: TMRS Eligible (20-Years); 15-years City of Arlington Service; 55-years old. Active employees with 5 or more years of service maintain current eligibility standard. 	(\$10M)	(\$1.2M)	None
Total		(\$40M)	(\$4.4M)	(\$310)

* Employees affected by the change in eligibility standard will receive a subsidy toward their retirement health benefit as follows: 50% subsidy for retiree / 0% subsidy for dependent(s). This is a market based anticipated subsidy and subject to change.